



FOR IMMEDIATE RELEASE

April 2, 2009

MAYOR JERRY SANDERS

FACT SHEET

CITY FILES LAWSUIT AGAINST POA OVER DROP

Mayor Seeks Judicial Determination on Union's Obligation to Negotiate

The city of San Diego has filed a lawsuit against the Police Officers Association to resolve a dispute over whether the labor union is obligated to negotiate on a proposal by Mayor Jerry Sanders to eliminate the Deferred Retirement Option Program, or DROP. The controversial program allows eligible retirement-age city employees to collect their pension payouts while remaining employed and continuing to receive their full salary and benefits.

The POA has refused to negotiate with the mayor on his proposal to eliminate the costly program, creating a deadlock at the bargaining table. In its lawsuit filed yesterday in Superior Court, the city is seeking a judicial declaration and order that the POA must meet and confer with the city on the proposal.

“We believe the union needs to come to the table and negotiate with us,” Sanders said. “They are holding up the entire bargaining process by their refusal to meet and confer on this critical proposal, and that’s simply not fair to San Diego taxpayers.”

The mayor has proposed eliminating the DROP program as one of many cost-cutting measures aimed at addressing a \$60 million budget deficit for the 2010 fiscal year, as well as to deliver on his promise to reform city government by seeking permanent reductions in unsustainable benefits. The pension system’s actuary has estimated that eliminating the program citywide could reduce San Diego’s unfunded pension liability by up to \$350 million.

The POA claims that the DROP program is a vested benefit not subject to negotiation. But under the mayor’s proposal, employees who reach retirement age would still have the choice of continuing to work for the city, or they could retire to begin collecting their retirement benefits. Employees already enrolled could remain in the program, and payments to retirees who participated in the program would not be affected.

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